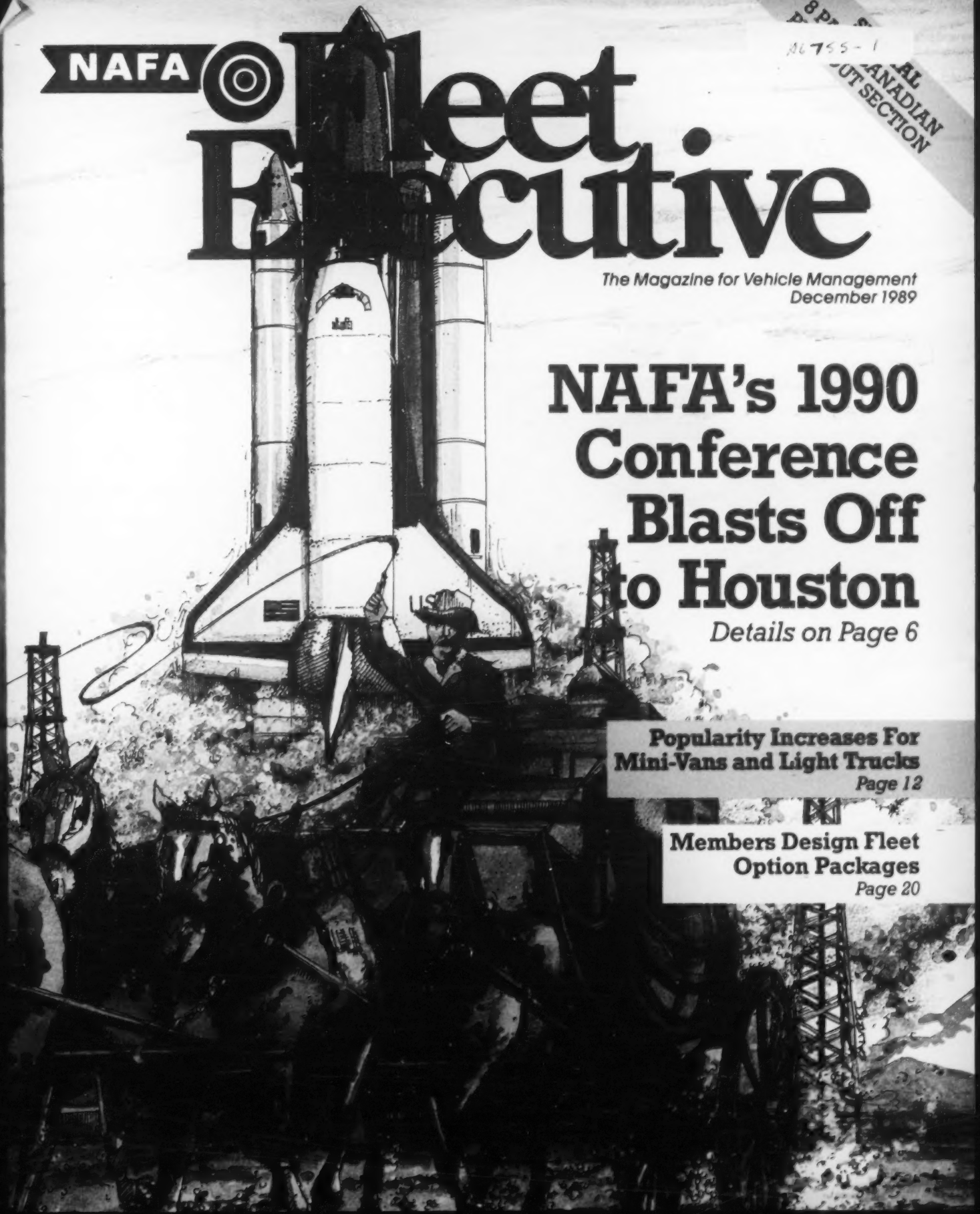
AL755-1

NAFA Fleet Executive

The Magazine for Vehicle Management
December 1989

NAFA's 1990 Conference Blasts Off to Houston

Details on Page 6



Popularity Increases For Mini-Vans and Light Trucks
Page 12

Members Design Fleet Option Packages
Page 20

For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

December 1989

Cover art by Jeff Calvert

NAFA Headquarters Staff

David P. Lefever
Executive Director

Phillip E. Russo
Director of Communications

Carol Radice
Assistant Editor

Dawn Ydoate
Controller

Sara Riggi
Meetings Assistant

Kathleen Graham
Manager, Certified Automotive Fleet Manager Program

David Leong
Computer Operator

Patricia Senatore
Receptionist

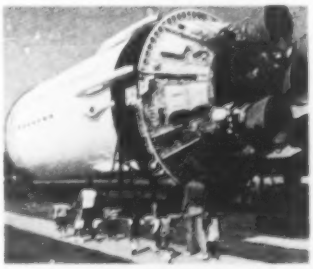
NAFA
120 Wood Avenue South
Suite 615
Iselin, NJ 08830
(201) 494-8100
FAX: (201) 494-6789

Fleet Executive © 1989 by NAFA, Inc., is the official monthly publication of the National Association of Fleet Administrators, Inc.

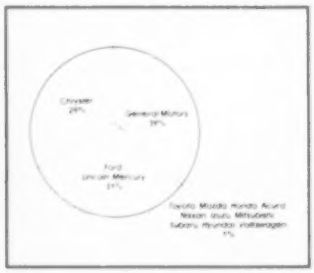
The contents of this publication may not be reproduced in whole or in part without the express written consent of NAFA.

Editorial comments and manuscripts are welcome and should be addressed to the Director of Communications.

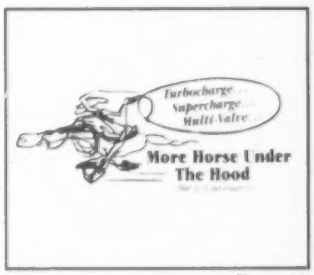
For subscription information, advertising rates, or to join NAFA, please telephone Headquarters Office.



Page 6



Page 13



Page 31

6 **NAFA to Explore New Frontiers at 33rd Annual Conference**
Mark your calendar for the Association's upcoming extravaganza in Houston, Texas. This preliminary information is sure to whet your appetite.

8 **How to Get The $ You Need**
Members offer ideas on how to get a budget approved.

12 **Made In The U.S.A. Fleets Still Overwhelmingly Buy American**
Results of NAFA's 1990 Model Year New Vehicle Acquisition Survey show fleets still aren't buying many import vehicles. . .but they are buying more vans and light-duty trucks. Get those statistics and more in this NAFA exclusive.

20 **NAFA Presents Fleet Option Packages to Manufacturers**
NAFA recently presented to every manufacturer fleet option packages based on the consensus opinion of numerous veteran fleet managers who attended the Association's Masters Forum.

31 **Turbocharge. . .Supercharge. . .Multi-Valve More Horse Under the Hood (but is it necessary?)**
Learn how these modern engine configurations work and what their benefits are—and if you really need them in your fleet.

DEPARTMENTS

10 At Headquarters
10 Fleet Faxline
42 New Members and Affiliates
43 Wholesaler/Broker Directory
44 Directory of Auto Auctions
49 Directory of Fleet Car Dealers

Made In The USA

Fleets Still Overwhelmingly Buy American

Fleets in the United States and Canada will purchase or lease more than 123,000 1990 model year cars, vans and light-duty trucks—at a cost of more than $1.6 billion—during the upcoming months, according to results of NAFA's 1990 Model Year New Vehicle Acquisition Survey.

Of the 123,419 new model year vehicles to be purchased or leased, 63 percent will be automobiles, 20 percent will be vans and 17 percent will be light-duty trucks, according to survey results. This is a dramatic change from last year's survey results where nearly three-quarters of the new purchases were cars, 13 percent were vans and 14 percent were light-duty trucks.

Responding fleet managers also said they expect to pay an average of $12,854 (up $50 from last year) for each automobile, $14,272 (+$926) for each van and $14,194 (+$848) for each light-duty truck. At those costs, responding fleets will pay a total of $1,660,775,498 for the 123,419 new model year vehicles they purchase or lease.

Still Buying North American

Fleet managers placing orders for 1990 model year vehicles (60 percent said they place orders in the fall) said General Motors Corporation and its divisions will receive 39 percent of their orders. Ford/Lincoln-Mercury will receive 31 percent of fleet orders and Chrysler/Jeep will receive 29 percent. Chrysler/Jeep had the greatest percentage increase of fleet orders over last year's survey results: 11 percent, compared with GM's five percent and Ford/Lincoln-Mercury's 0.7 percent.

All imports listed on the survey form or written in by respondents (Toyota, Mazda, Honda, Acura, Nissan, Isuzu, Mitsubishi, Subaru, Hyundai and Volkswagen) ***combined*** will get one percent of 1990 fleet orders, according to results.

Call It Consistency

While 64 percent of responding fleets do not plan any changes in their fleet operations within the next year, 20 percent said they will increase the number of vehicles in their fleets and six percent will decrease the number of vehicles in their fleets. Also, six percent will lease vehicles previously purchased, while three percent will purchase vehicles previously leased. Less than one percent (0.8 percent) of respondents will divest most of their fleets to employee ownership.

Similarly, 95 percent of respondents do not plan any changes in sizes or types of vehicles used in their fleet operations. For the five percent of respondents planning to change vehicle size or type, most said they will move up to mid-size from compact cars—the opposite of last year's results.

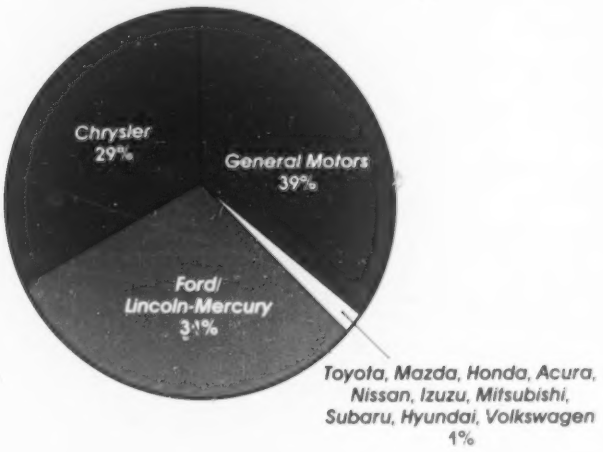
In another area of consistency, responding fleet managers selected all the same options for their "option wish list" as they selected last year. Again this year, if fleet managers could have their choice of options on cars, vans and light-duty trucks, they would choose:

- Air Conditioning
- All-Season Tires
- AM/FM Radio
- Automatic Transmission
- Dual Side Mirrors
- Floor Mats
- Fuel Injection
- Power Brakes
- Power Steering
- Pulse Wipers
- Rear Defroster
- Tinted Glass

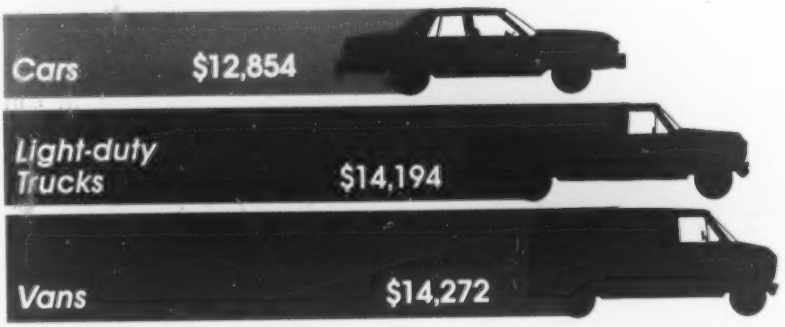
Those options not high on fleet managers' "wish lists" for the second straight year are: AM/FM cassette stereo, cellular phone, mud guards, optional paint, power door locks, power gas cap release, power seats, power trunk release, power windows, split

(continued on page 14)

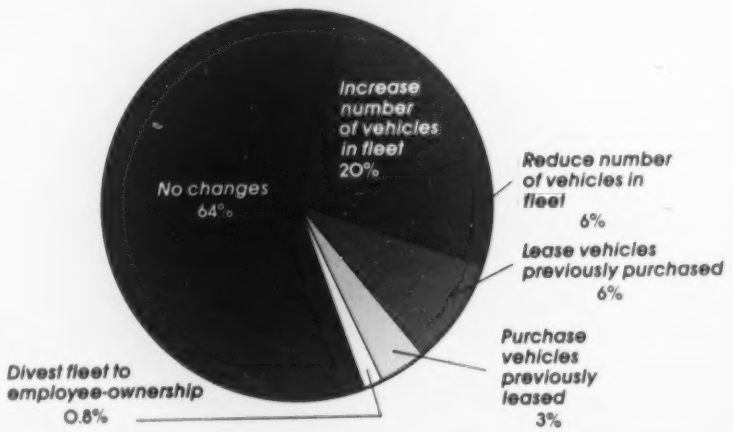
From Whom Are Fleets Buying?



Expected 1990 Model Vehicle Purchase Prices



Fleets Planning Changes In Size and/or Buying/Leasing Policies



Fleet Managers' Option Wish List

If they could, here are the options fleet managers would have on each vehicle.

Sub-Compacts

Air Conditioning
All-Season Tires
Auto. Transmiss.
Dual Side Mirrors
Floor Mats
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tinted Glass
4-cyl. engine

Compacts

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Dual Side Mirrors
Floor Mats
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tinted Glass
4-cyl. engine

Mid-Size

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tilt Wheel
Tinted Glass
6-cyl. engine

Full

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirror
Floor Mats
Fuel Injection
Power Brakes
Power Locks
Power Steering
Pulse Wipers
Rear Defrost
Split Front Seat
Tilt Wheel
Tinted Glass
6-cyl. engine

Luxury

Air Conditioning
All-Season Tires
AM/FM Cass. Stereo
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Locks
Power Seats
Power Steering
Power Trunk Release
Power Windows
Pulse Wipers
Rear Defrost
Split Front Seat
Tilt Wheel
Tinted Glass
6-cyl. engine

Mini-Van

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tilt Wheel
Tinted Glass
6-cyl. engine

Full Van

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Tinted Glass
6-cyl. engine

Light-Duty Truck

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Dual Side Mirror
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Tinted Glass
V-8 engine
Hvy. Dty. Suspsn.
Hvy. Dty. Battery
Block Heater

Made In The USA

(continued from page 13)

front seat and vinyl roof.

(Be sure to read the following article on the "Consensus Opinion Option Package Plan" which NAFA recently presented to all the manufacturers.)

Respondent Demographics

NAFA's 1990 Model Year New Vehicle Acquisition Survey received responses from 436 fleet managers: 379 from the United States and 57 from Canada. Four of five (346) responses were from commercial fleets, while 90 were from public service fleets.

Responding fleets control 377,453 vehicles: 195,511 (52 percent) company-owned and 181,942 (48 percent) leased. Automobiles comprise 64 percent of these fleets, light-duty trucks 19 percent and vans 17 percent.

Why Do You Choose The Vehicles You Choose?

Although we changed the survey format and more than doubled the list of factors from which you could choose, NAFA Members again, for the sixth straight year, overwhelmingly state "Initial Cost" as the single most important factor in deciding which vehicles to buy.

With 15 factors on the list (last year there were seven), we asked you to rank each one according to the following scale:

1 = Most Important (considered every time; great weight given)
2 = Very Important (considered most times; significant weight given)
3 = Important (considered most times; average weight given)
4 = Somewhat Important (considered sometimes; some weight given)
5 = Little Importance (considered occasionally; little weight given)
6 = No Importance (not considered; no weight given)

Still, despite the fact other industry publications say it should be otherwise, 450 responding fleet managers gave "Initial Cost" an overall average of 1.733. The next closest average was for one of the new factors on the list, "Job Suitability," (i.e. how well the vehicle was suited for the job it was intended to do) which came in at 2.0777. The closest repeat factor from last year's list was "Economy of Operation" which averaged 2.5355.

The complete list, then, in order of most important to least importance was:

Initial Cost	**1.7333**
Job Suitability*	**2.0777**
Repair Record*	**2.4955**
Economy of Operation	**2.5355**
Depreciation/Resale Value	**2.5844**
Serviceability	**2.6755**
Safety Record*	**2.7577**
Warranty Program*	**2.9733**
Order/Delivery Time/Distribution*	**3.1022**
Country Where Manufactured*	**3.2755**
Company Image/Prestige	**3.4288**
Driver Preference*	**3.8088**
Administrative Ease	**3.9888**
Insurance Costs*	**4.1466**
Fringe Benefit	**4.4177**

*New factor; not on list last year.

To compare last year's results with this year's, "Initial Cost" was number one both years, "Economy of Operation" was number two last year, "Depreciation" was third, "Serviceability" fourth, "Fringe Benefit" fifth, "Company Prestige" sixth and "Administrative Ease" seventh. In other words, only "Fringe Benefit" changed significantly with its drop from fifth to last, while all others stayed the same.

Jan.-Sept. 1990 Not Filmed